

**SUPPLEMENT TO THE
FINAL STATEMENT OF REASONS
Electronic Insurance Reporting Program
Article 2.3, Sections 85.00, 85.02, 85.04, 85.06 and 85.08**

The Update to the Final Statement of Reasons

The following changes to the final statement of reasons are listed below.

85.00 (a)

The term “motor vehicle” has been amended to “private passenger automobile”... policies and coverages... “issued by an automobile assigned risk plan” in the definition as Vehicle Code section 16058 expressly refers to private passenger automobile liability insurance policies and coverages and private passenger automobile policies and coverages. The term “issued by an automobile assigned risk plan” identifies the complete liability and collision coverage required by California’s financial responsibility law. The reference to the documents authorized under Vehicle Code section 4000.37 has been amended to the list of documents within the proposed regulations, specifically section 85.04. This nonsubstantive change has been made for clarity. The other nonsubstantive grammatical changes in Section 85.00(a) are for clarity. The statement in the initial statement of reason referring to subdivision (a)(1 through (4) refers to a prior revision of the proposed regulatory text and should be deleted as it no longer applies.

This subdivision is necessary to inform the affected public of the documentation required to meet the department’s definition of satisfactory evidence of financial responsibility.

85.00(b)

A nonsubstantive grammatical change was made for clarity.

85.00 (c)

This definition has been deleted as the term as used in Section 85.02 was changed to registered owner and the definition was no longer required.

Subdivision 85.00 (c) is necessary to inform the affected public of the document that lists the start date for the thirty (30) day time period before the notification is sent to the registered owner requesting the satisfactory evidence of financial responsibility. The registration card is the document a registered owner is suppose to be available to present to other drivers should an accident occur.

85.04

The title for section 85.04 has been amended for a nonsubstantive grammatical change required for clarity. Sections 85.04(a) (1) through (5) are proposed to help the affected public find all the statutory alternatives for the electronic insurance reporting in one location.

85.04 (a) (3)

The term “cash deposit form” has been amended to “written confirmation of cash deposited with the department” because the department does not have an actual form due to the small volume of cash deposits assigned to the department. A letter from the department informs the depositor

that the money has been accepted and the registered owner (which does not have to be the depositor) meets California's financial responsibility statutory requirement for all vehicles registered to the registered owner.

85.04 (a) (4)

This subdivision has been amended to include "documentation of" a liability policy, as stated in statute. The department does not have a form for this statutory alternative to insurance due to the small volume of charity risk pool participants. The term "as authorized under Vehicle Code section 16054.2" has been deleted as it repeats the Vehicle Code section identified earlier in the sentence.

85.04 (a) (5)

This subdivision was not discussed in the initial statement of reasons. This alternative is a supplement to an existing liability policy. Rather than writing a completely new policy, the insurance industry adds an addendum in the form of a binder or note that makes a change to the policy. Many times these binders or notes add a new vehicle to an existing policy and are therefore an extension of a private passenger automobile liability insurance policy.

85.08(a)

This reference to the "remainder of the reporting requirements" refers only to the electronic formats and the high level of security to guard against the release of information that can jeopardize or compromise the department's vast vehicle registration database containing over 20 million records. The information is available only to insurance companies licensed to do business in California and is available to a select few of the department's employees. This information is not exempt under Government Code section 11340.9 as asserted in the initial statement of reasons.

subdivision provides the affected public (the insurers) with the information regarding the electronic reporting and the options allowed by the department to electronically interface after the Department of Insurance informs the department that the insurance company has a valid certificate of authority and is now licensed to do business in California or the insurance company requests the information and the department sends the information about the two formats for the insurance company to choose the format the company prefers.

85.08(b)

This subdivision has been amended to provide additional information about the frequency for electronic reporting by the insurance companies. The regulation was expanded to subparagraphs 85.08 (b) (1) and (2) to indicate the two different time frames required by statute and for clarity.